



Annual Report and Accounts

2015/16

GLOBAL CANOPY FOUNDATION

*Global Canopy exists to
stop the destruction of
the world's remaining
rainforests.*

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Welcome

1. Welcome to Global Canopy

The Global Canopy Programme is an agile and entrepreneurial charity with an outsized impact.

Our aim is to end large-scale deforestation: a global problem with huge hidden costs for everyone's prosperity.

We work smart, by focusing on the big market levers driving deforestation at local, regional, national and international levels.

We bring a fresh approach, backed by hard evidence, to identifying, targeting, and mobilising action among the key powerbrokers - the governments, businesses and financial institutions worldwide - with the power to end this global 'deforestation economy'.

Increasingly, we also address other environmental and social impacts caused by the same market dynamics that are converting the world's rainforests into land for agricultural commodities – driven by our systemic failure to value the vital benefits we receive from nature.

Our strength is to convene, connect and catalyse: helping different sectors work together to deliver novel solutions for irreplaceable forests, the people who live in them and for all humanity.

2. Letter from the Chairman



It is an exciting time for the Global Canopy Programme.

At the start of 2016 our founder, Andrew Mitchell, decided the time was right to transition into a new, more outward-looking role within the organisation he founded 16 years ago to study the rainforest canopy. In that time, it has grown from its beginnings in an unused room in Oxford University's Plant Sciences department into a pioneering NGO with a global reputation and presence, punching way above its weight in the global fight against deforestation.

In 2007, in a campaign launched high in the canopy of the Amazon rainforest, GCP brought together Heads of State, Nobel laureates, and diverse leaders from across civil society and academia to call for the inclusion of tropical forests in a global climate deal. This deal was finally agreed in Paris in 2015, with forests centre-stage. In 2009, we launched the first major worldwide initiative that systematically engaged major companies on their supply chain impacts on forests - their 'forest footprint', to coin a phrase. Today, 180 major companies report annually on their deforestation risk at the request of investors with US \$22 trillion in assets. And in 2012, at the Rio Earth Summit with our partners at the United Nations Environment Programme, we launched the world's first initiative dedicated to supporting the finance sector in accounting for their impacts on 'natural capital', including forests.

Governments, business and finance: turning the influence of these key powerbrokers from negative to positive for forests has been, and continues to be, at the heart of our strategy.

In our redoubled efforts to achieve this global objective, we are delighted that Andrew will remain involved in his new role of Founder Director: as ambassador, innovator and communicator.

Now it falls to our truly outstanding team, and to the leadership of our new Executive Director Niki Mardas - long at the heart of the team - to build on this platform to take GCP forward to new heights.

And it could not be a more pivotal moment for the world's forests. The game is rapidly changing, as many of the governments, businesses and financial institutions that we have long worked with make ambitious commitments to end deforestation in their supply chains and investments by 2020. This represents a quite extraordinary opportunity: one the world cannot afford to miss.

We will be there every step of the way: innovating, communicating and empowering key decision-makers to act.

Lindsay Bury, Chairman

3. Letter from our Executive Director



Achievements and opportunities at a vital time for forests

Dear partner,

GCP exists to stop the destruction of the world's remaining rainforests.

A simple, vital goal. But one that for decades has proven impossible to achieve, despite determined, often heroic efforts by leaders across the world's forests and beyond.

Agricultural expansion to meet growing global demand for 'forest risk' commodities like beef, soy and palm oil, has driven over two thirds of global deforestation over the last decade. Demand for land and pressure on forests are only set to increase as the world's population increases in size and wealth, and as a changing climate puts further strain on water, energy and food security worldwide.

Yet, also over the last decade, Brazil has demonstrated through its remarkable achievements in the Amazon just how far a determined government can go in curbing deforestation. This mission is not, after all, impossible. But this has also probably led to 'leakage' - shifting forest loss to other biomes and countries. Deforestation is a complex problem, one that in a globalised economy no single actor - not even the world's forest superpower - can solve on its own.

Meanwhile, another remarkable trend - one that alongside many allies we helped to catalyse - gives us real cause for hope: the emergence of global partnerships for sustainability, on an unprecedented scale.

First, a commitment by the Consumer Goods Forum, an alliance of 400 companies with some USD \$3 trillion in annual turnover, to achieve 'deforestation free' supply chains by 2020. Then an even more remarkable statement of support for this goal, The New York Declaration on Forests, signed last year by producer and consumer governments, major companies up and down the supply chain, banks and investors, and civil society organisations (including our own) in forests and beyond.

Through these and other novel partnerships, the once seemingly impossible goal of ending deforestation may just be achievable. This represents a historic opportunity, and one that we are now turning all our resources and creativity to supporting.

Great barriers of course remain. So to overcome these, we too put our trust in strong partnerships. These are some of the collaborations that have helped us deliver our programmes this year, and will help us deliver growing impact in the years ahead:

- **Aiming at a revolution in supply chain transparency** - and to achieve accountability for the 2020 commitments - we have deepened our longstanding partnership with corporate disclosure pioneer CDP, and have embarked on a tremendously exciting new collaboration with world-leading research institution the Stockholm Environment Institute. You can read about our ground-breaking joint efforts to unlock big data for more sustainable supply chains on page 16.
- To **deeply engage the finance sector** - so vital in any solution to this problem which is driven by global markets and global capital - we have partnered with the United Nations Environment Programme's Finance Initiative in Geneva, and its global membership of more than 200 financial institutions. Our joint work has just secured a CHF 4 million + grant from the Swiss Government, and you can read about our ambitious programme for action on page 20.
- And lastly, to **catalyse investment and real change on the ground** in forest countries we are honoured to be working in partnership with forward-thinking sub-national governments and remarkable local civil society organisations across the forested regions of Latin America and Indonesia. You can read about our innovative efforts to unlock forest finance at scale on page 24.

Finally, in this spirit of partnership, and recognising the great challenges ahead as tropical forests are cleared with such colossal hidden costs for us all, we invite you to join us on this journey.

As a Global Canopy Partner, you can help us hold governments, businesses and investors to account for their commitments and for their impacts on forests - whether by leveraging your own networks and influence with decision-makers, or by donating towards the vital core funds that enable us to operate and innovate.

For our part, we commit to good governance and open, honest and inclusive communication, as we strive over the coming years to achieve a more sustainable and deforestation-free global economy.

Niki Mardas, Executive Director

Our strategy and impact

4. Strategy

Our vision and motivation

Global Canopy's aim is to end large-scale deforestation, a problem with huge hidden costs for people and prosperity worldwide.

Between now and 2020, global markets will drive the destruction of an area of tropical forest the size of Spain. The true costs of this to the world economy are estimated at as much as USD \$25 trillion.

Tropical forests burst with life. They regulate regional water cycles, remove carbon from the atmosphere, and support the livelihoods of over a billion people. They underpin entire economies. But we are destroying them for land to produce commodities for global markets: soy, beef, palm oil, pulp and paper.

These 'forest risk commodities' are traded along complex and opaque supply chains ending up in over half the products in our supermarkets. This brings about USD \$150 billion in export revenues to the countries that produce them. That's an order of magnitude more than they would receive for conserving their forests. In fact, it is more than the entire global aid budget for last year, of which a tiny proportion went to protecting forest landscapes and supporting their people.

We are shooting ourselves in the global foot.

Unless we understand and systematically account for the true value of forests, and how our everyday decisions affect their future, deforestation for short-term profit will continue apace, with profound long-term consequences for forest-owning countries - and for us all.

The 2020 opportunity

To help end deforestation, we take a different approach to many of our peers. We focus on the big market drivers that cause over two thirds of deforestation today.

This could not be more timely. A historic consensus is emerging, strengthened by a growing sense of self-interest as much as by the collective good. Two years ago, the New York Declaration on Forests was signed by an incredible array of leaders, representing producer and consumer governments, major companies up and down the supply chain, global financial institutions, and civil society organisations (including our own) in forested regions and beyond. Its commitment: to achieve deforestation-free supply chains by 2020, and to end large scale deforestation by 2030.

This creates an opportunity that must not be missed. Our 2015-2020 strategy, and all our energies and creativity, are now dedicated to helping turn this opportunity into concrete results.

Our strategy for impact

All our work has a common starting point: the ‘forest risk’ commodity supply chains that run from farmers in forest landscapes, to processors, traders, shippers, manufacturers, and on to retailers: ultimately driven by consumers worldwide. The global finance sector powers every step of these supply chains through investments and loans. To illustrate: the 250 companies we assess as part of our Forest 500 index carry around USD \$1.4 trillion in international financing.

We aim to inform and enable decision-makers in the governments, companies and financial institutions with the greatest influence in this deforestation economy.

Programmes

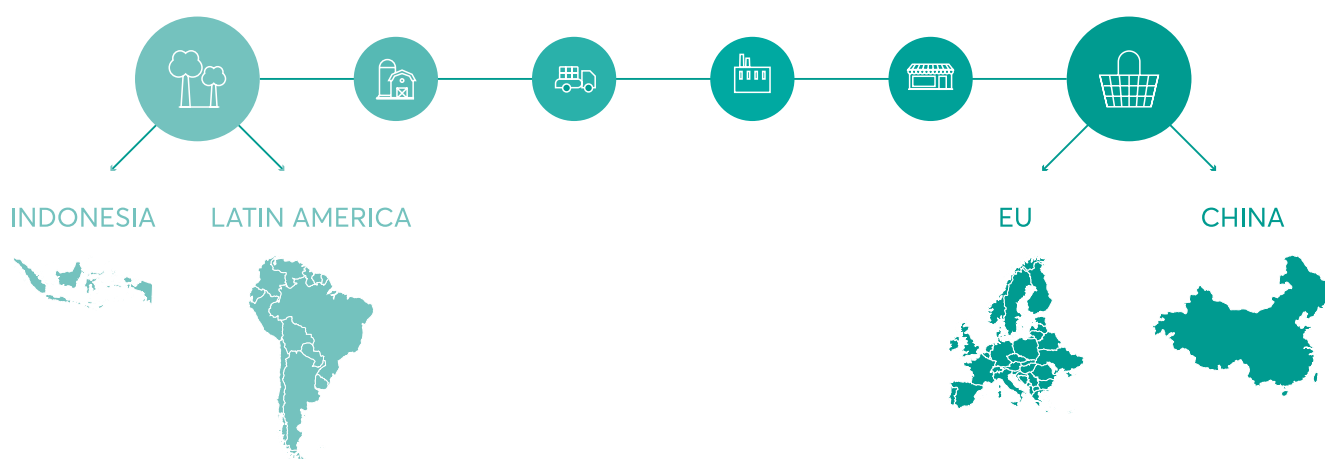
To deliver on our strategy, we organise our work into three integrated programmes (all supported by our cross-cutting work on knowledge and content). Each brings distinct value in delivering on our mission and acting as part of a cohesive whole:

- 1. Supply Chain Programme** - to deliver radical transparency across forest risk supply chains, ultimately aiming to provide the tools and methods to assess the performance and progress of companies, governments and financial institutions in delivering deforestation-free supply chains. This work helps target and enable activities under our other 2 programmes.
- 2. Finance Sector Programme** - to engage and support leading financial institutions with the tools they need to understand and address their exposure to deforestation and other natural capital risk in their lending and investments, and to identify novel opportunities for sustainable investment.
- 3. Financing Sustainable Landscapes Programme** - to support forward-looking regional forest governments to undertake business and investment planning to attract the finance necessary for the transition to deforestation-free production and economies.
- 4. Cross-Cutting Knowledge Programme** - to support each of our programmes, developing and disseminating knowledge and communication products across a wide range of media to build awareness, understanding and momentum amongst key powerbrokers in the progress towards zero deforestation.

Focal regions

Our work is focused on 2 great forested regions that have seen the vast majority of forest loss to agricultural expansion over the last decade, but that now lead the global fight against large-scale deforestation:

1. **Latin America**, taking in the Amazon biome, but also the Brazilian Cerrado which has seen rapid forest loss for soy expansion over the last decade. In the year ahead we will extend our view to the Chaco region in the south of the continent, a new frontier for rapid agricultural expansion.
2. **Indonesia**, where oil palm cultivation is driving rapid deforestation, and where peatland drainage and fires have led to huge increases in greenhouse gas emissions and spread far-reaching haze. This haze cost the country an estimated 2% of GDP last year and has had significant economic and environmental impacts on neighbouring countries.



In these regions we tend to work at the level of sub-national jurisdictions, whether in States like Acre in Brazil, long a leader in this space, or smaller municipalities where agricultural production is concentrated. We work closely with local partner organisations to engage jurisdictional governments, offering support in creating the enabling conditions for change on the ground and increased outside investment at scale.

We also currently focus on the two largest, and therefore most significant, importing and consumer jurisdictions for forest risk commodities, the EU and China:

1. **Europe** is the largest global importer of soy from Brazil, and the second largest importer of palm oil from Indonesia. The EU is also emerging as a global leader on policies to tackle deforestation linked to international trade.
2. **China** is the single largest importer of forest risk commodities, both for its own consumption and for processing and re-export. China is relatively new focal territory for GCP, but of huge importance in the fight against deforestation.

The GCP approach: how we add value

As a small organisation addressing such big issues, we pursue strategies to multiply our impact and deliver the biggest bang for our buck. We do this through a combination of the following:

1. **Strategic targeting:** we identify and target key pressure points - whether specific actors, places or barriers - across the supply chain, to inform our own work and enable others to better target and prioritise their own interventions.

This is exemplified by our Forest 500 ranking. Each year our analysis identifies and ranks the performance of the businesses, financial institutions and governments with the greatest exposure to deforestation in their supply chains and investments.

2. **Amplification through partnerships:** we work with world-class partners that have the local knowledge, networks and resources to effect change, amplifying our reach and impact.

Over the years we have also built up large formal and informal networks across our 3 main target groups: governments, businesses, and financial institutions. This puts us in an excellent position to facilitate the rich cross-sector conversations and diverse collaborations that are vital to progress in this space.

3. **Focus on Finance:** We see the identification of capital flows - that power every step of the forest risk commodity supply chain - as a key entry-point for our work. Accordingly, we closely engage the finance sector that is late in coming to the sustainability table but that has disproportionate influence to effect change. We work with leading financial institutions to co-develop tools and financial products that can help shift capital from companies and activities driving deforestation towards those that are financing sustainable production, and taking a longer term view.
4. **Innovation:** Much of our work is driven by the belief that even simple new ideas can sometimes unlock disproportionate impact. We have a strong entrepreneurial track record of successfully launching and operating new concepts, which others replicate and amplify.

5. Programmes

Supply Chain Programme

Introduction and objectives

All our work has a common starting point: the ‘forest risk’ commodity supply chains that run from farmers in forest landscapes, to processors, traders, shippers, manufacturers, and ultimately on to the retailers and consumers of the world. Our **Supply Chain Programme** aims to deliver radical transparency across the supply chain, revealing linkages between upstream and downstream companies, and connecting buyers of forest risk commodities to specific production landscapes, and the environmental and social impacts within those areas. With unprecedented insight into the supply chain linkages, the programme provides the knowledge and decision support tools to enable companies, governments, and financial institutions to better achieve deforestation-free supply chains and allow them to be held more fully to public account.

The objectives of the programme are to:

- Identify the most influential powerbrokers in the global ‘deforestation economy’, and broadly communicate the business case for change.
- Advance commitments by leaders and laggards across sectors to reduce their impact on forest landscapes.
- Assess and track the performance of key powerbrokers and hold them accountable against their commitments.
- Engage leading powerbrokers to share best practice, co-develop tools and reduce their exposure to deforestation.

Achievements in 2015-16 and plans for the year ahead

This year we have run two main projects under this programme. The first, Forest 500, is the world’s first ratings agency for rainforests. It identifies the 500 companies, financial institutions and governments worldwide with the greatest influence over the ‘deforestation economy’ and ranks and tracks their sustainability policies and performance. Our multilingual team undertakes its analysis based on over 40,000 data points. This provides public information on powerbroker policies and practice related to deforestation, and provides detailed data that can be used by institutions seeking to improve their performance. The second, the Transparency for Sustainable Economies (Trase) platform, is a new joint project with the Stockholm Environment Institute. It harnesses the power of hitherto untapped trade and customs data to map out material flows of forest commodities in ways that have not previously been possible. We expect this to have far-reaching implications for supply chain sustainability in the years ahead.

Over the course of the year, we have:

- Seen increased uptake of Forest 500 data by a growing number of leading companies, financial institutions and governments. We have begun work with several partners to enable their own activities using our data, including an investment portfolio screening tool, and an advocacy campaign targeting action among companies with low policy scores.
- Initiated a Community of Practice, engaging some 30 leading supply chain transparency initiatives worldwide to share information and data, develop an aligned 'theory of change' to guide future activities and collaborations, and coordinate communications and engagement with supply chain actors.
- Launched a closed 'beta' of the Trase platform at the Paris Climate Summit in December 2015, engaging leading governments, companies and financial institutions to test the platform and help identify their needs and priorities for its future development.

In the year ahead we plan to catalyse stronger policies on sourcing of forest risk commodities among the most influential companies and financial institutions we have identified; further demonstrate the value of big data in revolutionising supply chain transparency; launch an open public version of the Trase platform and increase engagement with the finance sector on their soft commodity policies and practice, significantly upgrading our existing benchmarking tool in the process.



A close-up photograph of several handbags hanging on a metal rack. The bags are in various colors and patterns, including red, black, orange, pink, and grey with white polka dots and a checkered pattern. The handles are made of leather or a similar material and are attached to the bags with metal studs. The background is slightly blurred, showing more of the store's interior.

"The Forest 500 is an important benchmarking tool that helps us recognise risk in our portfolios and we are delighted that our leadership position has been recognised; we hope others will follow."

Séverin Fischer,
BNP Paribas, Head of Environment and Extra Financial Accountability

Finance Sector Programme

Introduction and objectives

We see capital flows - that power every step of the forest risk commodity supply chain - as a key entry-point for our work. Accordingly, we closely engage the finance sector, which is late in coming to the sustainability table but has disproportionate influence to effect change. Our **Finance Sector Programme** works to engage and support leading financial institutions with the tools they need to understand and address their exposure to forests and other natural capital risks in their lending and investment, as well as to identify novel opportunities for sustainable investment.

The objectives of the programme are to:

- Engage financial institutions on the business case for their exposure to deforestation and natural capital risks and get their commitment to engage on these issues.
- Provide financial institutions with the support and practical tools they need to understand and address their exposure to deforestation risks in their lending and investments.
- Support financial institutions to develop products that increase financial flows to activities that benefit natural capital.
- Mainstream uptake of our tools and methodologies in decision-making across the sector.

Achievements in 2015-16 and plans for the year ahead


At the heart of the programme is the pioneering **Natural Capital Finance Alliance (NCFA)**, an initiative that GCP jointly established and now manages with the United Nations Environment Programme Finance Initiative (UNEP FI). The NCFA, led by a steering committee of financial institutions, provides a forum for leading global banks, investors and insurers to work together to develop standardised methodologies and structured approaches to quantify natural capital inputs and externalities. Supporters of the NCFA share emerging knowledge in order to inform better decision-making and to strengthen their capacity to embed natural capital considerations.

Over the course of the year, we have:

- Embarked on a major programme of work supported by the Swiss Government and the MAVA foundation to improve environmental risk management for the finance sector, including through pilot work in 4 countries (Peru, Colombia, Indonesia and South Africa) where we are now engaging local financial institutions, working closely with regional experts and partners.
- Commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ), the NCFA worked alongside GIZ and consultancy firm RMS, to co-develop a drought stress testing tool for corporate loans. This will help banks test the economic resilience of 8-12 industries to drought risk and develop drought scenarios in four countries – Brazil, Mexico, China and the US.

- Launched three ground breaking tools for the finance sector as follows:
 - **Water Risk Valuation Tool (WRVT)**, developed in collaboration with Bloomberg, enabling analysts to incorporate water risks into company valuations across copper and gold mining companies.
 - **Corporate Bonds Water Credit Risk Tool**, enabling users to integrate financial risk exposure to water scarcity into standard financial models used to assess the credit strengths of corporations across water-intensive sectors and benchmark companies against sector peers.
 - **Soft Commodity Forest-risk Assessment (SCFA)** tool, developed with Sustainalytics, to enable banks and investors to evaluate and benchmark their policies to address exposure to deforestation risk in soft commodity supply chains, especially soy, palm oil and beef.

In the year ahead we plan to significantly increase the number of financial institutions that are signatories to the Natural Capital Declaration, which underpins membership of the Alliance. We will work closely with members of the Alliance and other financial institutions to develop a global methodology for environmental risk management in credit risk assessment, and launch the drought stress testing tool in March 2017. Finally, we will develop and launch a major new online knowledge platform for financial institutions on natural capital.



"The tool is powerful in that it does not require the user to have any specific expertise or additional datasets – it is "plug and play" with the Bloomberg terminal to help users conduct research in an easy, cost effective way while retaining a detailed profile of the valuation impacts due to water risk factors."

Su Gao,

WRVT project manager and Senior ESG Analyst at Bloomberg LP



Financing Sustainable Landscapes Programme

Introduction and objectives

Subnational governments are taking a strong lead in the march towards sustainable economies in tropical forest regions. The Governors' Climate and Forests Task Force (GCF) stands as a case in point, bringing together dozens of leaders from around the world. Now, converting political intent into action on the ground requires dedicated resources and cooperation across sectors. Our Financing Sustainable Landscapes Programme supports these forward-looking forest governments to undertake the detailed investment planning required to meet this challenge and attract the necessary finance for the transition to sustainability.

The objectives of the programme are to:

- Strengthen the evidence base for the role of standing forests and other natural capital in supporting economic development and prosperity.
- Support sub-national governments across the world's forested regions to develop business cases and investment plans for the transition to sustainability.
- Support the marketing of these plans to the public and private investment community and increase flows of finance to pilot jurisdictions.


Achievements in 2015-16 and plans for the year ahead

Our work over the last year in this area falls mainly under Unlocking Forest Finance, a multi-partner project we coordinate to support governments in 3 pilot jurisdictions in Latin America - Acre and Mato Grosso States in Brazil, and San Martin Province in Peru. With our local civil society partners we have this year made progress in 3 key areas that we have been iteratively developing over the course of the 3-year project – noting that it is at different stages of evolution in each of the 3 pilot regions: (1) putting together a business case accounting for the financial requirements of landholders and the cost of providing technical assistance for the transition to sustainable production; (2) producing an investment plan based on specific investment needs, likely scenarios for land-use in the future and potential risks; and (3) designing a financial mechanism targeting the needs of producers on the ground, and covering technical assistance, monitoring and other costs. This may include a blend of different kinds of finance to cover activities with diverse levels of risk and return.

Over the course of the year (and of the 3-year project as a whole) we have:

- Worked closely with partner governments to refine their production and land use targets including under their official sustainable development plans e.g. the State of Mato Grosso's new 'Produce, Conserve, Include' strategy.
- Developed detailed investment plans, including one for Acre State that has been adopted within their regional portfolio.
- Engaged a network of investors and donors, keeping them informed of progress in the pilot jurisdictions with a view to future financing for these investment plans.
- Engaged with governments in Indonesia, Brazil, Colombia and Peru on analysing trade-offs in their development and climate policies, and identifying opportunities to improve the coordination that is necessary to achieve ambitious commitments under the Paris Climate Agreement and the Sustainable Development Goals.

In the year ahead we aim to support governments in marketing the sustainable landscape investment plans we have co-developed both to development banks and national and international private investors. We also aim to create an online toolkit and tailored support for other forest jurisdictions seeking to replicate our successful sustainable investment planning model for the transition to sustainability in other regions. We will be deepening our work in San Martin Province in Peru: both through an emerging partnership with national agricultural development bank Agrobanco that plans to pilot a credit line targeting the priority supply chains we have analysed, and by undertaking more detailed analyses of the specific policy gaps and opportunities for climate resilient development in the region.



"We are completely engaged in the collaboration with innovative projects such as Unlocking Forest Finance, to generate a scalable pipeline of investable green projects that are attractive to both public and private sector financing in order to ensure that Peru can successfully deliver on the commitments made under the Paris Climate Agreement."

Enrique Diaz Ortega,
Former President of Agrobanco.



Cross-Cutting Knowledge Programme

Introduction and objectives

Our cross-cutting Knowledge Programme supports and amplifies the rest of our work, developing and disseminating knowledge and communication products to build awareness, understanding and momentum amongst key powerbrokers in the progress towards zero deforestation.

The objectives of the programme are to:

- Ensure uptake of our ideas and tools among key stakeholders in the deforestation economy.
- Make GCP's knowledge accessible to partners to enable their work in tackling deforestation.
- Manage and extend GCP's existing portfolio of knowledge products

Achievements in 2015-16 and plans for the year ahead

- Our publication *The Little Sustainable Landscapes Book* aims to clarify and disseminate sustainable landscape management methods, and to catalyse their implementation across private and public sectors worldwide. Drawing on a wealth of case studies and cutting-edge expertise from around the globe, the book summarises current developments in landscape management, makes recommendations on policy, and explains the importance of landscape initiatives in achieving global goals related to sustainable development. The book has been well received by key stakeholders, and a quarter of all visitors to the GCP website access the Little Sustainable Landscapes Book page. It was produced in collaboration with leading experts in agriculture and natural resources, including from WWF, EcoAgriculture Partners, The Nature Conservancy, and IDH - The Sustainable Trade Initiative. The book has been published in English, French and Bahasa, and we have secured further funding for publication in additional languages.
- We extended our REDD Desk knowledge platform to include a new Malawi country profile, providing a comprehensive review of the progress and status of REDD+ programmes in the country. Funding was also received from IUCN for a section of the REDD Desk site on gender and REDD+, offering an insight into a crucial dimension of REDD+ implementation on the ground.
- We launched a new website for GCP, enabling easier and faster updates of content, and a cleaner and more accessible design.

In the year ahead we aim to standardise and integrate our stakeholder engagement plans across programmes, and secure dedicated funding for this programme to create greater capacity to ensure and measure uptake of our work.



'This "Little Sustainable Landscapes Book" appears to be little in its presentation but can have a huge impact since it can provide lessons-learned and guidance for land use players and stakeholders to have a better landscape approach and initiative – and to collaborate meaningfully.'

Fitrian Ardiansyah,
Indonesia Country Director at IDH-The Sustainable Trade Initiative.

6. Partnerships

Partnerships are our lifeblood, and at the heart of our strategy. In this Annual Report we have detailed the partnerships that make our work possible: with forest governments, with business and financial institutions, with world-leading research institutes, and with civil society organisations the world over.

And, of course, with the donors that make our work possible. We are honoured to have had the financial support and partnership of many of the governments and international foundations leading in the fight against deforestation and for the restoration of natural capital.

Our work this year has been supported by the UK, German, Swiss, and Norwegian Governments, and by leading Foundations including (in alphabetical order) the Cecil Pilkington Charitable Trust, CHK Charities Limited, The Ernest Kleinwort Charitable Trust, the Gordon and Betty Moore Foundation, The Millichope Foundation, The Rufford Foundation, The Schroder Foundation, The Tedworth Charitable Trust and The Waterloo Foundation.

Many of these donors have provided exceptional support and partnership over the years:

With the help of CDP and DFID in 2009, we set up the world's first 'Forest Footprint Disclosure' process. Most companies we contacted didn't realise they had a forest footprint. Fortunately, the investors who backed the project understood otherwise and called on their investee and portfolio companies to respond. We targeted 800 companies worldwide. Today the number of respondents has risen to almost 200 and investors managing US \$22 trillion have added their weight to the disclosure call. The project is now entirely managed by CDP, with GCP providing funding from DFID and advice. It has transformed understanding of 'forest risk commodities' in corporate supply chains worldwide. Our longstanding partnership with CDP is now expanding into other areas.

With the Swiss Government's SECO, (with funds flowing through UNEP FI), we have been able to realise the ambition of the Natural Capital Declaration that GCP launched with UNEP Finance Initiative in 2012 at the Rio Earth Summit. For the first time this brought together CEOs of banks, investors and insurers to commit themselves to taking account of natural capital in their future investment and lending. The Swiss Government helped us leverage their funding with further pledges from the German and Dutch governments. The first tools to enable investors to screen their portfolios for deforestation and water risk are now being used by financial institutions. These have been highlighted in the recent G20 reports to emerge from China.

With the Rufford Foundation, we have been able to grow GCP from its small beginnings in 2001 into the organization it is today. This would not have been possible without core grants from Rufford that have now surpassed the £1 million mark. This consistent annual vote of confidence in what we have been doing has been a huge encouragement. Their support and that of other long term donors to GCP has allowed us to innovate and take risks that would never have been possible without their core support over 16 years.

Today, the impacts of deforestation and climate change are becoming better known. Public and private sector actors are beginning to respond with ambitious commitments and action to achieve deforestation-free supply chains by 2020. The Paris Agreement has forests at its heart. The financial sector is awakening to its impact on nature and is signalling change. This would have been almost unthinkable five years ago. GCP has been instrumental in catalysing this new thinking over the last decade. At this time of opportunity for forests, we too are increasing our own ambition and seeking to increase our capacity to act.

Global Canopy Partners - a new alliance for action

Over the years we have also been fortunate to have the loyal support of a number of generous individuals that are passionate believers in our cause. Now, at this time of great opportunity for forests, we want to attract more supporters and find ever better ways to work together towards our common goal.

We are therefore delighted to announce Global Canopy Partners, a new alliance for action to be formally established next year. As a Partner, we invite you to help us hold governments, businesses and investors to account for their impacts and commitments by leveraging your own networks and influence with decision-makers and by donating towards the vital core funds that enable us to innovate and have impact.

For our part, we commit to good governance and open, honest and inclusive communication. And we commit our every effort to strive and succeed in partnership over the coming years to achieve a deforestation-free and more sustainable global economy.

Finance, Administration and Governance

7. Financial Review

Income The GCP's total income grew by £259k to £2,854k. Restricted income, which mainly comes from Governments (Norway, Germany and the UK), grew by 5% compared to 2015. Income from contracts and membership fees grew by 52% due to higher value contracts won in 2016 combined with longer contracts continuing from 2015. Unrestricted donations increased by £30k to £184k, although total donations (including restricted donations) fell by 6%. A detailed analysis of income is shown in the Statement of Financial Activities (SOFA) and notes 3, 4 and 17 to the accounts.

£000s	2015	2016
Restricted Income	2,111	2,223
Contracts and Membership Fees	281	427
Donations	199	187
Other Income	4	17
Total Income	2,595	2,854

Expenditure The GCP's total expenditure on charitable activities fell marginally by £96k to £2,684k. This is mainly due to changes in the availability of programme funding and timing of grants payable to partners. Support costs as a proportion of charitable expenditure increased slightly from 13% to 14%.

The table below shows the proportion of total expenditure on charitable activities by charitable activity. Further detailed analysis of expenditure is shown in the SOFA and notes 5 to 10 in the accounts.

	2015	2016
Supply Chain Programme	24%	33%
Financing Sustainable Landscapes Programme	47%	39%
Knowledge Programme	4%	5%
Finance Sector Programme	9%	9%
Strategic Development	2%	1%
Sub Total	87%	86%
Support Costs	13%	14%
Total	100%	100%
Total Charitable Expenditure £000's	2,780	2,684

Unrestricted expenditure grew marginally by 3% to £594k. This was funded through increased unrestricted income that totalled £628k, generating a surplus of £34k on unrestricted funds.

Reserves

The GCP engages with governments and related agencies to implement large, complex projects. To address the risks associated with uncertainty of timing of income the charity needs to maintain sufficient working capital to cover the costs of our projects reasonably far ahead. With respect to unrestricted funds, the trustees' target for free reserves is to cover six months' worth of core expenses, currently estimated at £250k. These funds are held within our overall unrestricted funds account and are not intended to be accessed unless needed in extremis.

At 31 March 2016 total funds held were £569k as shown in the table below.

£000s	2015	2016
Unrestricted funds	239	273
Restricted funds	205	296
Total funds	444	569

Restricted funds of £296k represents grants received for specific purposes during the year, which are allocated to particular ongoing projects and are therefore not regarded as free reserves.

Unrestricted funds were £273k, £23k higher than the trustees' target. On this basis, and given that there are no material uncertainties about the charity's ability to continue, the trustees are of the view that the charity is a going concern.

8. Reference and Administrative Details

Other working name:	Global Canopy Programme
Charity number:	1089110
Company number:	4293417
Registered office:	3 Frewin Chambers, Frewin Court, Oxford, OX1 3HZ

Our advisers

Auditors	Critchleys LLP, Greyfriars Court, Oxford, OX1 1BE
Solicitors	Charles Russell, 8-10 New Fetter Lane, London, EC4A 1RS
Bankers	Barclays Bank Plc, 211-213 Banbury Road, Oxford, OX2 7HH

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law.

Key management personnel:

Trustees and Directors

Trustees	W. Wint
	L. C. N. Bury
	H. Murray-Philipson
	E. Mott
	R. Cooper (<i>resigned September 2016</i>)
Secretary	A. Mitchell

Senior Management Team

Executive Director	Niki Mardas
Founder Director	Andrew Mitchell
Chief Financial Officer	Rob Hayes
Programmes Director	Helen Bellfield
Operations Manager	Ellen Griffiths

9. Structure, Governance and Management

The Global Canopy Foundation is a charitable company limited by guarantee and was set up on 25th September 2001. It is governed by its Memorandum and Articles of Association.

Appointment of trustees and training

New trustees are appointed following a personal recommendation by a member of the Board and provision of a CV. Copies of the Charity Commission's relevant literature concerning the responsibilities of trustees is given to all new trustees, who are also offered the opportunity of participating in charity training courses provided by Charles Russell LLP, the charity's Solicitors.

Organization

The Board of Trustees normally meets quarterly and administers the charity. The trustees appoint the Executive Director to manage its day-to-day operations. The Executive Director delegates responsibility to the senior management team for normal operational activity, but retains final decision-making authority.

Pay policy for senior staff

The trustees are responsible for setting the Executive Director and Founder Director's pay. The Executive Director is responsible for setting the pay of the other senior management team members. The Foundation sets salary bands following a benchmarking exercise to understand market minimums, maximums and averages. In setting pay within those bands, the skills and experience required for each of the roles as well as affordability are taken into account. Annual cost of living adjustments for all employees are awarded based on affordability and inflation rates. Other pay increases are awarded based on individual performance, or increased accountability or responsibility.

Subsidiaries

Canopy World Ltd was established in May 2005, as a wholly owned subsidiary of the charity, through which the charity ran canopy training activities related to the charity's objectives. Andrew Mitchell is the company's sole Director. Canopy World Ltd. is currently dormant.

VivoCarbon (Investments) Ltd (VCI) was established on 26th November 2007, as a wholly owned subsidiary of the charity. Through VCI, the charity held a 25% stake in Canopy Capital Ltd, which was in effect donated to the charity by Hylton Murray-Philipson and Andrew Mitchell, Directors of Canopy Capital Ltd, for a nominal sum of £30. This stake was divested in 2010.

Risk Management

The trustees have overall responsibility for ensuring that the Foundation has an appropriate system of controls, financial or otherwise. The trustees annually review the major risks and uncertainties to which the Foundation is exposed and the trustees believe that systems and procedures are in place to mitigate the major risks identified. The following major risks were identified and mitigating actions undertaken at an organisational level in 2015/16:

Category	Risk	Management actions in 2015/16
Financial Sustainability	Insufficient funds to cover new and ongoing activities	<ul style="list-style-type: none"> • Build unrestricted income and reserves by increasing resourcing and developing new contacts and relationships • Review staff structure and develop contingency plans to address funding shortages • Strengthen relationships with existing and new donors • Develop cost recovery policies and processes to ensure full cost recovery on projects where possible
People	Unable to recruit and retain key staff and trustees	<ul style="list-style-type: none"> • Develop recruitment processes including more targeted recruitment for key roles • Develop staff management and learning and development policies • Invest in staff training and mentoring support • Systematic monitoring of staff workloads
Impact	Unable to demonstrate and make impact	<ul style="list-style-type: none"> • Ensure sufficient resources and time are available to develop future pipeline of work and new innovation • Review theory of change and identify new impact pathways for interventions • Develop monitoring and evaluating framework
Reputation	Loss of reputation or damage to key relationships	<ul style="list-style-type: none"> • Strengthen and formalise new and existing partnerships • Increase the size and expertise in regional teams • Train new staff before they are expected to commence any GCP advocacy or meet key stakeholders • Improve technical and communication quality assurance processes

Public Benefit

The Trustees have complied with the duty in Section 17 (5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

GCP is a medium sized UK-headquartered think tank that ultimately aims to halt tropical deforestation. We deliver our mission in collaboration with global networks in the public and private sector, civil society and forest communities. This enables us to rapidly make connections and catalyse action.

Conserving tropical forests has been identified by the UK Government, the European Union and the wider international community as amongst the quickest and most effective methods to effectively tackle climate change, a global problem which affects everyone. More broadly, the ecosystem services provided by forests underpin climate, food, energy, water and health security at local to global scales.

The conservation of tropical forests is therefore also vital in poverty alleviation and human wellbeing. Some 1.4 billion of the world's poorest people depend directly on forests for their livelihood.

The importance of forests is acknowledged in UN assessments of progress in the Millennium Development Goals, and is taken into account in the new Sustainable Development Goals, with reversal of deforestation as a key indicator of progress on environmental sustainability.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and

Each trustee has taken all steps that he ought to have taken as a director in order to make himself aware of relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution proposing that Critchleys LLP be re-appointed as auditors of the charity will be put to the Annual General Meeting.



Lindsay Bury, Trustee

Date: 7th December 2016



Independent Auditors' Report to the Members of the Global Canopy Foundation

We have audited the financial statements of Global Canopy Foundation for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set on page 39 the trustees (who are also the directors of the charitable company for the purposes of the company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practises Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us during the course of our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosure of trustees' remuneration specified by law are not made; or
- we have not received all the information and the explanations we require for audit.
- the trustees were not entitled to take advantage of the small companies' exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Colin Mills
Senior Statutory Auditor

For and on behalf of:
Critchleys LLP, Statutory Auditor

Oxford

Date: 9th December 2016

Statement of Financial Activities for the Year Ended **31 March 2016**

(Including Income and Expenditure Account)

	Note	Un- restricted Funds £000s	Restricted Funds £000s	Total Funds 2016 £000s	Total Funds 2015 £000s
Income and endowments					
Donations and legacies	3	184	3	187	199
Income from charitable activities	4	427	2,223	2,650	2,392
Other trading activities		16	-	16	-
Other income		1	-	1	4
Total income and endowments		628	2,226	2,854	2,595
Expenditure					
Expenditure on raising funds	5	27	-	27	117
Expenditure on charitable activities	6	549	2,135	2,684	2,780
Other expenditure		18	-	18	-
Total expenditure		594	2,135	2,729	2,897
Net income/ (expenditure)	10	34	91	125	(302)
Reconciliation of funds					
Total funds brought forward		239	205	444	746
Total funds carried forward		273	296	569	444

Balance Sheet at 31 March 2016

	Note	2016 £000s	2015 £000s
Fixed assets			
Tangible assets	11	3	15
Investments	12	5	5
		8	20
Current assets			
Debtors	13	288	368
Cash at bank and in hand		475	402
		763	770
Creditors: amounts falling due within one year	14	(202)	(346)
		561	424
Net current assets		561	424
Net assets		569	444
Funds			
Unrestricted Funds	16	273	239
Restricted Funds	17	296	205
Total funds		569	444

The financial statements were approved and authorised for issue by the trustees by



Lindsay Bury, Trustee
Chair of Global Canopy Foundation
Company no: 04293417

Date: 7th December 2016

The notes on pages 48 to 65 form part of the financial statements.

Statement of Cash Flows for the Year Ended 31 March 2016

	2016 £000s	2015 £000s
Net movement in funds for the reporting period (as per the statement of financial activities)	125	(302)
Adjustments for:		
Depreciation charges	16	9
(Increase)/decrease in debtors	81	(82)
Increase/(decrease) in creditors	(145)	63
Net cash provided by (used in) operating activities	77	(312)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(4)	(5)
Net cash provided by (used in) investing activities	(4)	(5)
Change in cash and cash equivalents in the reporting period	73	(317)
Cash and cash equivalents at the beginning of the reporting period	402	719
Cash and cash equivalents at end of the reporting period	475	402
Analysis of cash and cash equivalents:		
Cash in hand	475	402
Total cash and cash equivalents	475	402



Notes to the Financial Statements for the Year Ended 31 March 2016

1. Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements.

a) Basis of accounting

The Foundation is a public benefit entity. The financial statements are prepared under the historical cost convention and in compliance with the Companies Act 2006, the Charities Act 2011, the Charities Statement of Recommended Practice (for FRS 102), and FRS 102, The Financial Reporting Standard, applicable in the UK and Republic of Ireland.

There were no adjustments to the overall balance sheet, income and expenditure on transition to FRS 102.

b) Income

Income is recognised in the period in which GCP is entitled to receipt, it is probable that the income will be received and the amount can be measured reliably. Donated services and facilities are included at their estimated value to the charity when received. Income received in the year is deferred where it relates to services that will be provided after the year-end.

c) Expenditure

Expenditure is accounted for on an accruals basis and includes irrecoverable VAT. Wherever possible, costs are allocated to specific charitable activities or costs of generating funds, although this does include an estimate of staff time. Support costs are allocated in proportion to direct costs (including staff costs) by programme area.

Grants payable are recognised as expenditure when payment is due to the partner organisation in accordance with the terms of the agreement.

d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation. Items costing less than £1,000 are not capitalised. Depreciation for all fixed assets is calculated on a straight-line basis to write off the cost of the assets over their estimated useful lives as follows:

Leasehold property improvements: Lease period remaining

Office furniture and fixtures: 10 years

Computer and office equipment: 3 years

e) Pensions – defined contribution scheme

Contributions are charged to the profit and loss account as they become payable under the scheme rules.

f) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the SOFA.

g) Funds

Income which is restricted to a particular purpose is treated as restricted income in the Statement of Financial Activities. Any unspent balance will be carried forward as a restricted fund.

Unrestricted funds are crucial for delivering GCP's mission and are essential for the GCP's survival. They are available for use at the trustees' discretion in furtherance of the general objects of the charity.

h) Legal status of the Foundation

The Global Canopy Foundation is a charitable company limited by guarantee incorporated in the UK. Its registered office is 3 Frewin Chambers, Frewin Court, Oxford, OX1 3HZ.

i) Group accounts

These accounts do not consolidate the results of the charitable company's subsidiaries Canopy World Limited and Vivo Carbon Investments Limited as the effect of consolidating these results would be immaterial.

j) Preparation of the accounts on a going concern basis

As at 31 March 2016 the balance of unrestricted funds of £273k was £23k higher than the trustees' target. On this basis and given that there are no material uncertainties about the charity's ability to continue, the trustees are of the view that the charity is a going concern.

2. Statement of Financial Activities for the Year Ended 31 March 2016

	Note	Un- restricted Funds £000s	Restricted Funds £000s	Total Funds 2015 £000s
Income and endowments				
Donations and legacies	3	154	45	199
Income from charitable activities	4	281	2,111	2,392
Other income		4	-	4
Total income and endowments		439	2,156	2,595
Expenditure				
Expenditure on raising funds	5	117	-	117
Expenditure on charitable activities	6	458	2,322	2,780
Total expenditure		575	2,322	2,897
Net movement in funds	10	(136)	(166)	(302)
Reconciliation of funds				
Total funds brought forward		375	371	746
Total funds carried forward		239	205	444

3. Donations and Legacies

	2016 £000s	2015 £000s
Unrestricted Donations		
Waterloo Foundation	50	
Rufford Foundation	40	40
The Schroder Foundation	30	
CHK Charities Limited	25	20
Tedworth Trust	20	20
Winton Charitable Foundation	10	
Millichope Foundation	5	5
B and J Lloyd Family Charitable Trust	1	1
Lindsay Bury (Trustee)		31
Ernest Kleinwort Charitable Trust		20
Cecil Pilkington Charitable Trust		4
J S F Pollitzer Charitable Settlement		2
The Lindeth Charitable Trust		1
The Oakdale Trust		1
Donated services	1	7
Other donations	2	2
	184	154
Restricted Donations		
UniCredit	3	
Baker & McKenzie LLP	-	13
Bloomberg Philanthropies	-	32
	3	45
	187	199

4. Income from Charitable Activities

	2016 £000s	2015 £000s
Supply Chain Programme	1,021	695
Financing Sustainable Landscapes Programme	1,050	1,214
Knowledge Programme	166	119
Finance Sector Programme	403	343
Strategic Development	10	21
	2,650	2,392

5. Expenditure on Raising Funds

	2016 £000s	2015 £000s
Salaries	8	87
Direct costs	15	15
Support costs	4	15
	27	117

Expenditure on raising funds reduced mainly due to GCP's Fundraising Manager leaving in 2015.

6. Expenditure on Charitable Activities

	Grant funding of activities	Activities undertaken directly	Support costs (note 7)	Total 2016 £000s
Supply Chain Programme	413	473	138	1,024
Financing Sustainable Landscapes Programme	303	731	162	1,196
Knowledge Programme	-	138	22	160
Finance Sector Programme	14	227	38	279
Strategic Development	-	22	3	25
	730	1,591	363	2,684

	Grant funding of activities	Activities undertaken directly	Support costs (note 7)	Total 2015 £000s
Supply Chain Programme	476	201	98	775
Financing Sustainable Landscapes Programme	431	881	190	1,502
Knowledge Programme	-	123	17	140
Finance Sector Programme	10	241	37	288
Strategic Development	-	66	9	75
	917	1,512	351	2,780

Expenditure on charitable activities for 2015 has been re-allocated to the new programme categories.

Grant funding of activities was via the following organisations:

	2016 £000s	2015 £000s
Carbon Disclosure Project	414	459
Environmental Research Institute of the Amazon (IPAM)	91	160
International Institute for Applied Systems Analysis	85	22
Centro de Desarrollo e Investigacion de la Selva Alta (CEDISA)	65	53
Helmholtz Centre for Environmental Research	40	26
Climate Bonds Initiative	21	27
Fauna and Flora International	7	24
Verein fur Umweltmanagement und Nachhaltigkeit in Finanzinstituten (VfU)	7	10
Centro Dos Trabalhadores da Amazonia	-	77
North Rupununi District Development Board, Guyana	-	26
Iwokrama International Centre, Guyana	-	17
Burness Communications	-	16
	730	917

7. Support Costs

	2016 £000s	2015 £000s
Administration and management costs	357	350
Governance costs	10	16
	367	366

Support activities include accounts, administration, governance, office costs, organisational management and communications. Support costs for 2015 have been restated to include governance costs.

Support costs are allocated in proportion to direct costs (including staff costs) by programme area.

8. Staff costs, Trustee remuneration and expenses, and the cost of key management personnel

	2016 £000s	2015 £000s
Wages and salaries	715	810
Redundancy payments	8	5
Social Security costs	74	86
Pension contributions	34	41
	831	942

Redundancy payments are accounted for in the period they fall due and charged to the activity to which they relate.

The average monthly number of employees during the year was made up as follows:

	No	No
Director	1	1
Programmes and Support	18	22

The number of employees whose annual emoluments exceeded £60k in the year were as follows:

£70k - £80k	1	1
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For this higher paid employee, annual pension contributions of £8k (2015: £7k) were payable during the year.

Rachel Cooper, GCP's Treasurer, acted as interim Chief Financial Officer (CFO) on a consultancy basis, which was approved by the Board of Trustees. This arrangement is permitted by the charity's Memorandum and Articles of Association. In 2016 Rachel was paid £5k (2015: £5k). No other trustee received any remuneration or reimbursement of expenses during 2016 or 2015.

The directors consider the board of directors, who are the charity's trustees, and the senior management team to comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The senior management team comprises 5 posts at 31 March 2016, namely the Executive Director, Founder Director, Programmes Director, CFO and Operations Manager. The total employee benefits including employer pension costs of the key management personnel of the charity were £256k (2015: £217k).

9. Related Party Transactions

There were no related party transactions in 2016 (2015: nil other than a donation received from a Trustee – see note 3).

10. Net Income/(Expenditure)

stated after charging	2016 £000s	2015 £000s
Depreciation	16	9
Auditor's remuneration for the organisational audit	4	4
Auditor's remuneration for grant audits	3	3
Auditor's remuneration for HR and payroll services	5	5
Rent payable	48	48

11. Fixed Assets - Tangible Assets

	Furniture & Fittings £000s	Computer equipment £000s	Office equipment £000s	Total £000s
Cost				
At 1 April 2015	15	66	8	89
Additions	-	4	-	4
Disposals	(10)	(69)	(5)	(84)
At 31 March 2016	5	1	3	9
Depreciation				
At 1 April 2015	4	65	5	74
Provision for the year	8	5	3	16
Eliminated on disposal	(10)	(69)	(5)	(84)
At 31 March 2016	2	1	3	6
Net book value				
At 31 March 2016	3	0	0	3
At 31 March 2015	11	1	3	15

12. Fixed Asset Investments

	2016 £000s	2015 £000s
Investments in subsidiary companies brought forward and carried forward	5	5

The Foundation owns 100% of the issued share capital of Canopy World Ltd, a company incorporated in England and Wales. The company is now dormant. A summary of the results is shown below:

Balance Sheet	2016 £	2015 £
Net Assets	-	-
Share capital	1	1
Profit and loss	(1)	(1)
Shareholders' funds	-	-

The Foundation also now owns 100% of the issued share capital of Vivo Carbon Investments Limited. This company is now dormant. A summary of the assets and liabilities is shown below (there is no activity in the profit and loss account).

Balance Sheet	2016 £	2015 £
Assets	50	50
Share capital	50	50

These accounts do not consolidate the results of the charitable company's subsidiaries Canopy World Limited and Vivo Carbon Investments Limited as the effect of consolidating would be immaterial.

13. Debtors

	2016 £000's	2015 £000's
Trade debtors	94	195
Grants receivable	154	145
Prepayments	29	28
Accrued income	11	-
	288	368

14. Creditors: Amounts falling due within one year

	2016 £000's	2015 £000's
Trade creditors	91	65
Grants payable	30	115
Other taxes and social security costs	30	45
Accruals	46	9
Deferred income	5	112
	202	346

Deferred income	2016 £000's	2015 £000's
At 1 April	112	26
Released to incoming resources	(112)	(26)
Deferred in the period	5	112
At 31 March	5	112

15. Commitments

The Foundation had the following commitments at 31 March 2016.

Operating Leases

As at 31 March 2016 the Foundation had future minimum lease payments under non-cancellable operating leases as follows:

Land and buildings	2016 £000's	2015 £000's
Operating leases which expire within one year	38	71
Operating leases which expire within two and five years		38

Financial

The Foundation had committed the following amount in grants to international projects which will form part of the grants allocated in future years. The current DFID and German Government's International Climate Initiative grants will provide the income to cover these costs when they are payable.

	2016 £000's	2015 £000's
Grants which expire within one year		7
Grants which expire within two and five years	892	506
	892	513

Grants to international projects contain certain performance related conditions, which determine when expenditure is recognised in the SOFA. Performance conditions under commitments noted above had not been fulfilled at 31 March 2016.

16. Unrestricted Funds

	2016 £000's	2015 £000's
At 1 April	239	375
Transfers	-	-
Net income/(expenditure) for the year	34	(136)
At 31 March	273	239

17. Restricted Funds

	Balance at 1/4/15 £000s	Incoming Resources £000s	Resources expended £000s	Transfers £000s	Balance at 31/3/16 £000s
Finance for Sustainable Landscapes					
1. NORAD	115	78	187	-	6
2. German Government ICI	(13)	786	791	-	(18)
	102	864	978	-	(12)
Drivers of Deforestation					
3. DFID	-	825	796	-	29
	-	825	796	-	29
Natural Capital Finance Programme					
4. Bloomberg Philanthropies	6	-	6	-	-
5. GIZ	15	225	104	-	136
6. Moore Foundation	92	-	92	-	-
7. UNEP FI	(6)	165	42	-	117
Other	-	3	0	-	3
	107	393	244	-	256
Knowledge Programme					
8. ECOAG	-	31	28	-	3
9. ICRAF	-	10	10	-	-
10. IDH	-	29	26	-	3
11. GIZ	-	16	16	-	-
12. TNC	-	14	7	-	7
13. WWF US	(3)	26	23	-	-
14. WWF Austria	-	7	7	-	-
15. WWF NGP	(1)	1	-	-	-
	(4)	134	117	-	13
Other					
16. The Rufford Foundation	-	10	-	-	10
Total	205	2,226	2,135	-	296

Notes

1. A grant from NORAD, the Norwegian Government development agency, is funding GCP's project to establish a pioneering community ecosystem monitoring programme linked to REDD+ payments in Guyana.
2. GCP's "Unlocking Forest Finance" is funded by the German Government's International Climate Initiative. This multi-year, multi-partner project aims to mobilise private sector capital to reduce deforestation through public/private sector partnerships for forests and rural livelihoods.

Funds received from the UK Government Department for International Development to support the operation of the GCP's Forest Footprint Disclosure project (now merged with the Carbon Disclosure Project).
4. Bloomberg Philanthropies donated funds to support the Natural Capital Declaration (NCD) to develop a Corporate Water Risk Valuation Tool.
5. GIZ are funding a project to quantify water risks (as an example of Natural Capital risks) in corporate bond investments and a project to develop a framework and model to stress test corporate finance portfolios for exposure to economic risks from droughts.
6. The Moore Foundation grant is to improve the capacity to deliver the Natural Capital Declaration (NCD) commitments that serve to ensure natural capital considerations are accounted for by the financial sector.
7. Funds from the United Nations Environment Programme Finance Initiative have funded the Natural Capital Declaration project, a joint initiative of GCP, UNEP Finance Initiative and FGV.
- 8-14. ECOAG, ICRAF, IDH, GIZ, TNC, WWF Austria and WWF US funded GCP's production of "The Little Sustainable Landscapes Book".
15. WWF New Generations Plantations reimbursed expenses for travel to Chile to participate in a workshop to support the production of the "The Little Sustainable Landscapes Book".
16. The Rufford Foundation have provided a grant for seed funding for the Amazon Par La Amazonia (AMPA) El Mismi Project.

18. Analysis of NET Assets by Fund

	Unrestricted £000s	Restricted £000s	Total £000s
Fixed assets	8	-	8
Net current assets	265	296	561
	273	296	569

